NICE N EASY GROCERY SHOPPES

BRIEF BACKGROUND

Chain currently has 24 corporate stores, 67 franchise locations and is considered a key player in the marketplace..
Currently is a RJR Retail Partner in all locations with Lorillard in some stores.
Began testing PM/RJR co-existence in three locations 1/97.

The chain has and supports an RJR private label "Tempo".
Corporate Sales Average 4300 cartons per quarter (179/store/qtr.)
Franchise Sales Average 7300 cartons per quarter (108/store/qtr.)

1995 Average store cartons per week 107, 36 of which is RJR
1996 Average store cartons per week 131, 39 of which is RJR

	1995 Base Shares	1996 Ending Shares	Net Change	Buffalo 4th/96 Gas/Cnv SOM
RJR FP SOM	20.49%	16.12%	- 04.37%	19.56 (-3.44)
RJR SOS	48.83%	69.63%	+ 20.80%	36.94 (+32.69)
RJR SOM	33.11%	32.99%	- 00.12%	24.04 (+8.95)
Camel SOM	4.45%	5.36%	+ 00.91%	07.27 (-1.91)
Doral SOM	5.03%	4.47%	- 00.56%	

Full price SOM trending down while Camel is trending up. Savings SOC shows a substantial increase while Doral is trending down. (Tempo 2pack special and distribution March and April '96)

Industry shares ending '95 vs. '96

Full Price	+0.05%	RJR FP was down
Brd Sav	-0.54%	RJR overall Savings up
PL/BW	+0.49%	

Profitability '95 vs '96

1995 profit per carton = $2.05 vs. 1996 profit per carton = $2.42 UP $.37 per carton.

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Source: https://www.industrydocuments.ucsf.edu/docs/rtbn0000

3 P's

PRESENCE

1 RJR Full Price Display (16 Facings)
1 RJR Savings Display (24 Facings)
1 Tempo Display in most locations

RJR supplied Spring Load Package Merchandisers

RJR signage varies in all locations from 15" x 49" signs, Enhanced Canopies on SLPM to Neons and door decals.

PROMOTIONS

Utilize buydowns to Partner Protect during PM Defense periods.
Utilize 2 pack specials in selected locations.
Utilize a buy two packs and receive a Free 10 minute phone card.
(retail accrual promotion)
Run Tempo promotions in 6 month intervals as accrual $'s permit,

Discuss and review quarterly promotions in months prior to quarter.
Address discounting monthly to address marketplace needs.

PRODUCT AVAILABILITY

RJR has distribution/authorization on all key brand styles in all locations.
Accepts all new brand styles on every occasion.
Allows distribution to address any needs. (ie. new brands, buydown period etc.

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Source: https://www.industrydocuments.ucsf.edu/docs/rtbn0000

Business Analization/Category Advisor

Chain considers RJR as their Category Advisor in all aspects of the category.

Chain looks to RJR as the Trade Educator on legislative and current issues (ie. Native American Indians)

Perform quarterly reviews - prior years quarter vs current years quarter to compare like time periods and discuss business issues/opportunities.

Source: https://www.industrydocuments.ucsf.edu/docs/rtbn0000

ISSUES/ OPPORTUNITIES

1. **Grow RJR Share of Market?**
   Grow Full Price
   Maintain/Grow Camel
   Grow Doral
   Maintain Tempo

CONCERNS:

Example 4th qtr. 1995 vs. 4th qtr. 1996 overall industry volume up +17.9% Industry FP volume was up 9.4% or 2115 cartons while RJR Full price volume was down 7% or 331 FP cartons. During this time we ran a 25 cent buydown on Camel and Winston.

PM did not exist in either time period yet their Full Price volume was up 16.2% or 1,956 cartons with no promotional or contract costs.????

RJR SOM	= 30% vs.	PM SOM	= 50%
RJR FP SOM	= 19% vs.	PM FP SOM	= 63%
RJR SOS	= 67% vs.	PM SOS	= 07%

2. Continue with business analysis as chain is highly interested in the cigarette store concept.

3. Continue working Tempo as the lowest price point in the store.

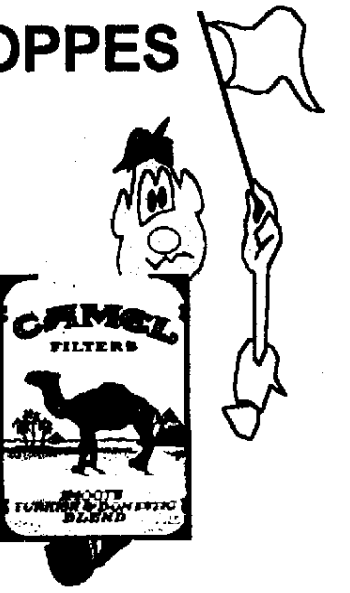
4. Utilize monthly distributions or chain personnel to sticker product to address GAP issues.

Source: https://www.industrydocuments.ucsf.edu/docs/rtbn0000

RJR

2nd Quarter 1997 Promotions

NICE N EASY GROCERY SHOPPES



April

Doral Box 100 B1G1 Free

W/O 4/07/97

Red Kamel 4 ctn Distribution

April - Sept. '97

6 month display & 2 pieces of POS

W/O 4/07/97

Doral Buy 2 get a Free Lighter

W/O 4/14/97

May

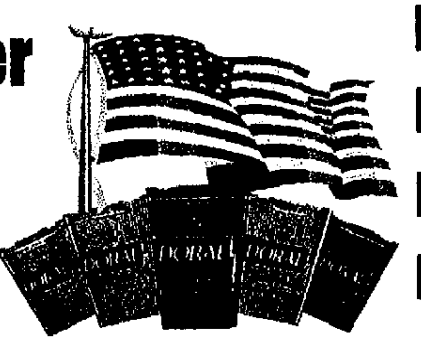
Camel B2 get a Free Lighter

W/O 5/12/97

June

Doral Buy 2 get 1 Free

W/O 6/09/97



ACROSS AMERICA

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Source: https://www.industrydocuments.ucsf.edu/docs/rtbn0000